

Kathy Nealy

From: "Bill Fisher" <bfisher8@airmail.net>
To: "Kathy Nealy" <kathy_nealy@msn.com>; "Reverend Johnson" <pwpgcdc@aol.com>; <creed@carolreedassociates.com>; "Laura A. Reed" <lreed@carolreedassociates.com>
Sent: Wednesday, October 20, 2004 7:24 PM
Subject: FW: Dallas West Village, Memorial Townhomes and Homes of Pecan Grove

FYI.

Carol call me about how we are proceeding with meetings with councilmembers. This whole process is contrived to interfere with out business and we need to talk to the councilmembers directly.

Thanks,

Bill

**GOVERNMENT
EXHIBIT
1993
3:07-CR-0289-M**

From: John C. Shackelford [mailto:JShack@SHACKLAW.NET]
Sent: Wednesday, October 20, 2004 7:13 PM
To: Schaffner, Karen
Cc: doug.dykman@dallascityhall.com; jerry.killingsworth@dallascityhall.com; bfisher8@airmail.net; Saleem Jafar; Roy J. True; wernerj@haynesboone.com
Subject: RE: Dallas West Village, Memorial Townhomes and Homes of Pecan Grove

Let me begin by saying that Bill and Saleem are attempting to fully cooperate with the new process being implemented by the City. The reason for Roy True's cover letter to Odyssey's financial statement was to explain the limitations imposed upon Bill and Saleem by a party providing assistance to Odyssey in constructing affordable housing in Texas. It was not intended to circumvent complying with the City's requests nor to be uncooperative. To do so would be illogical and foolish. Our client cannot at the City's request breach the terms of a contract. With cooperation as our goal, and I think you know from working with me in the past that I deliver that which I say I will deliver and I do that which I say I'll do, I have below set forth further detail of the parties and their interests involved in the proposed projects.

However, there are several questions this process has raised for me as one who has represented developers who have done projects in the City. Why is this being required? It has never been done before. Is this being asked of every developer currently seeking approval? Is every developer being asked about pre-development loans, i.e., the lender and payment terms? Is every question being asked of Odyssey being asked of the other developers? As you know, I represent several developers and the City has not in the past asked them to provide this detail of information. If it is intended to draw conclusions about the financial wherewithal to do these deals, this info is irrelevant. Anyone who is engaged in this business and knows how the financing and equity are structured knows this info is irrelevant to determining whether a project will be constructed, leased and operated successfully. So again I respectfully ask why is this info for the first time being requested. Please explain.

Also, I cannot advise Saleem to disclose his personal financial information under these conditions. I'm not being uncooperative, but that type of information is extremely confidential as you know and the City is not making a loan or extending financial credit to Odyssey. TDHCA would be issuing the bonds. This is not an underwriting issue for the

City in the traditional sense. Also, it is irrelevant, in my opinion, as to whether Odysseys' applications are approved. Saleem's financial information is relevant to his obtaining financing, and as I point out below Odyssey has secured financing for every one of these projects. This statement applies to all developers and not just Saleem and Bill. What any principal's personal financial statement shows is not indicative of whether the project gets completed if the developer has the backing of an equity investor and bond purchaser, which Odyssey does.

Odyssey Residential Holdings, L.P. has as its general partner, Odyssey Residential GP, LLC, which has a 1% interest; and the limited partner is 1029 Family Limited Partnership, which has a 99% interest. 1029 Family Limited Partnership is an entity formed by Saleem Jafar, with other counsel, for asset protection/wealth preservation purposes.

10/21/2004

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Each project would be owned by a Texas limited partnership, the same as every other project done across the country regardless of who the developer is. The way these deals are structured, the tax credit equity investor is admitted as a limited partner and sometimes they'll use an affiliate as a special limited partner. It will be admitted whereby it owns 99.99% of the limited partnership and the general partner, who will be owned by an entity controlled by Odyssey Residential Holdings, L.P., will own .01% of the limited partnership.

Karen, the limited partner tax credit equity investor will be an affiliate of Related Capital. You're probably familiar with them. They've been the equity provider on many deals throughout Texas, including most of Southwest Housing's deals up until a couple of years ago. They would be involved in all the deals, and the bonds would be purchased by CharterMac, which is an affiliate of Related Capital.

There is no question that Bill and Saleem can complete these projects based upon their equity partner, Related Capital. I represent several developers in Texas as I stated above and as you know, and based upon my professional opinion Odyssey is better capitalized and has more financial stature than most of the developers doing these projects in Texas. Anyone suggesting otherwise is unaware of the facts.

From: Schaffner, Karen [mailto:karen.schaffner@dallascityhall.com]
Sent: Wednesday, October 20, 2004 4:14 PM
To: John C. Shackelford
Subject: FW: Dallas West Village, Memorial Townhomes and Homes of Pecan Grove

Please review the answers that Bill Fisher gave me regarding the ownership structure. Also, we will need the financial information on Saleem Jafar and his family, since they are the principals.

It would be easier if you could leave the format and just make changes to the answers if they need to be corrected.

Thanks.

From: Schaffner, Karen
Sent: Wednesday, October 20, 2004 10:43 AM
To: 'bfisher8@airmail.net'
Subject: FW: Dallas West Village, Memorial Townhomes and Homes of Pecan Grove

From: Schaffner, Karen
Sent: Wednesday, October 20, 2004 8:51 AM
To: 'bfisher8@airmail.net'
Cc: Schaffner, Karen
Subject: Dallas West Village, Memorial Townhomes and Homes of Pecan Grove

Bill,

With regard to your financials:

- 1) When was Odyssey Residential Holdings, L.P. formed and when was Naples Investment Company formed?

Odyssey Residential Holdings, L.P. was formed within the last few months and it has purchased all of the entities that own the each of the (4) real estate assets. Naples Investment Company was formed in 1997 and will act only as a Guarantor in these transactions and will not have any percentage ownership interests in any of the real estate assets.

On Odyssey Holdings – What percentage of Odyssey Holdings does the anonymous owner own? Bill's answer is none.

Who is the General Partner? (Is it Odyssey Residential Holdings, L.P. or an Individual?) Odyssey Residential, G.P. is the General Partner which is owned 100% by Saleem Jafar and his family.

And, could you provide a chart showing the percentage of ownership split for the limited partnership and its general and limited partner components.

Odyssey Residential Holdings, L.P. is the Development Company. Related Capital, Limited Partner is the 99% owner and Odyssey Residential, G.P. is the General Partner (100% owned by Saleem Jafar and his family) and .1 % owner.

What entity will guaranty the construction loans?

Naples Investment Company

With regard to the four properties:

What is the ownership % in the four properties? 100% owned by each individual entity which are all 100% owned by Odyssey Residential Holdings, L.P. the development company.

When were the properties completed? within the last 20 months

Which properties are under construction? Arlington - Rush Creek - 75% complete and Veteran's Memorial is 50% complete (both are TDHCA tax-exempt bonds and 4% tax credit transactions)

Who is the guarantor on the construction loans? He does not know.

With regard to the pre-development loan:

\$200,000 pre-development loan who is the lender and what are the terms of the loan?
Related Capital is the lender - 0% loan for 6 to 9 months

With regard to the note payable for PRA?

\$900,000 note payable – PRA – who is the lender and what are the terms of the loan?

Noteholder is Leon Backes - 30 month loan - (did not give interest rate - he had to go into Councilmember's office).